

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:4581

ANSWERED ON:20.08.2010

ACQUISITION OF RBI'S STAKE IN NABARD AND NHB

Kodikunnil Shri Suresh

Will the Minister of FINANCE be pleased to state:

(a) whether the Government has decided to acquire Reserve Bank of India's (RBI's) stake in National Bank for Agriculture and Rural Development (NABARD) and National Housing Bank (NHB);

(b) if so, the details thereof and the reasons therefor;

(c) whether this move will have any impact on the functioning of the NABARD and NHB; and

(d) if so, the details thereof alongwith Government's reaction thereto?

Answer

The Minister of State in the Ministry of Finance (SHRI NAMO NARAIN MEENA)

(a) & (b): Yes, Sir. The Government of India in consultation with the Reserve Bank of India (RBI) has decided to take-over 72.5% of the overall shareholding in the National Bank for Agriculture and Rural Development (NABARD) and 100% shareholding in National Housing Bank (NHB), presently held by RBI. The transfer of RBI shareholding in NABARD and NHB to the Government is in line with the recommendations of the Narasimham Committee on Banking Sector Reforms that it was inconsistent with the principles of effective supervision that the regulator was also the owner of a financial entity.

(c) & (d): The takeover of RBI shareholding in NABARD and NHB will not have any impact on their working.